

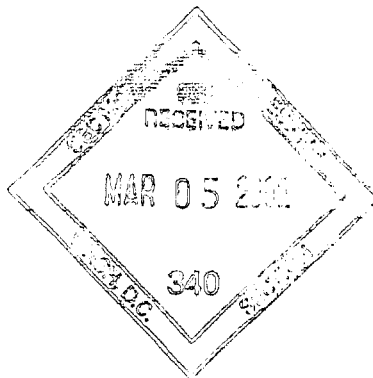
SYNEX INTERNATIONAL INC

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SUPPL

February 19, 2002



L1004-14/4

SECURITIES AND EXCHANGE COMMISSION

Office of International Corporate Finance
Stop (3-9)
450-5th Street NW
Washington, DC 20549

REFERENCE: ~~82-8362~~ 82-862

FILING OF INFORMATION MAILED TO SHAREHOLDERS

Pursuant to our filing requirements under Rule 12g3-2(b) of the Securities Exchange Act of 1934 we enclose the following document(s) which has (have) either been mailed to our shareholders or disseminated as a News Release:

1. Interim Report for the six months ended December 31, 2001 (3 copies).

As you require, each copy of the above document(s) is referenced on the top right hand corner:
Reference 82-8362.

Yours truly
SYNEX INTERNATIONAL INC.

Alan W Stephens
Corporate Secretary

Enclosure(s)

L1004.14.SECfiling

PROCESSED

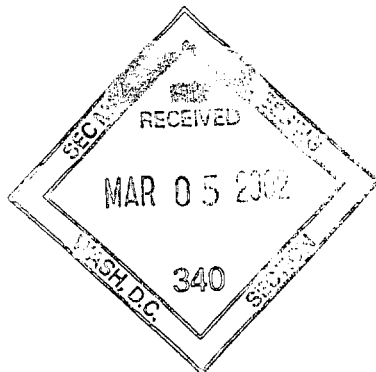
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Synex International Inc.



Second Quarter Report

For six months ended December 31, 2001

2002

REPORT FROM THE PRESIDENT

Revenue for the first six months of fiscal 2002 was \$1,623,081 as compared to \$2,038,473 for the corresponding period in the previous year, while net income after tax decreased to \$24,367 from \$91,643. The earnings per share in the first six months was \$0.00 as compared to \$0.01 for the corresponding period in the previous year. For the three-month period ended December 31, 2001, revenue decreased to \$766,470 from \$986,522 and net income after tax was \$20,277 compared to \$34,797 for the corresponding three months of the previous fiscal year. The decreases in revenue and net income were largely the result of lower sales in the software division and a one-time corporate income gain in the previous year.

Synex Systems Corporation

Revenue for the six months of fiscal 2002 was \$1,154,792, a decrease of 21% from the corresponding period in the previous year, while the segment operating profit decreased to \$55,796 from \$127,480. The general malaise of the economy within North America is affecting F9 revenue, particularly for the F9 Professional sales. Sales outside of North America increased marginally during the comparative six months. During December 2001, F9 for BusinessWorks Gold by Best Software, Inc. was launched and the SQL versions of F9 for the Microsoft Great Plains accounting products were substantially completed. During the second quarter, an agreement was signed with BME Financial Workgroup, covering the distribution of F9 Professional in South Africa.

Synex Energy Resources Ltd.

Revenue for the first six months of fiscal 2002 decreased to \$211,163 from \$221,790 for the previous year, while segment operating profit decreased to \$54,742 from \$68,289. The revenue from the energy division is anticipated to be consistent until such time as several planned projects are completed. On December 17, 2001, Synex Energy executed electricity agreements for two new hydroelectric projects. The two projects, to be constructed on

Vancouver Island, are a 3 MW plant near the Village of Tahsis and a 4 MW plant near the Village of Gold River. The scheduled completion date for both plants is January 2004. In early December 2001, Synex Energy received a Certificate of Public Convenience and Necessity as issued by the British Columbia Utilities Commission in respect of the construction of a power line and the subsequent operation of an electrical utility at Kyuquot on the west coast of Vancouver Island. The land approval can now proceed, which should be followed promptly by the construction of the power line. Operation of the utility is scheduled to commence by late 2003. Synex Energy holds a US\$1 million convertible loan, payment of which by The New World Power Corporation is now overdue and Synex Energy has provided New World with a demand for payment letter. The loan is secured by a first mortgage on several hydroelectric plants and New World is actively working to achieve the sale of these power plants.

Sigma Engineering Ltd.

The engineering division continues to be active on a number of assignments. Revenue from external customers for the first six months of fiscal 2002 decreased marginally to \$250,199 as compared to \$273,480 in the previous year, while segment operating profit increased to \$34,799 from \$12,365. Currently, most of the engineering services relate to hydroelectric opportunities in British Columbia, performed for Synex Energy and for others.

OUTLOOK

The Company has a long history of success in the energy and software and is now beginning to see tangible results from new opportunities being pursued subsequent to the buy-out, by an employee group, of the shares of the former controlling shareholder.



Greg J Sunell, President

Consolidated Balance Sheets

As at December 31
(unaudited)

	2001	2000
Assets		
Current		
Cash and cash equivalents	\$ 619,156	\$ 625,784
Accounts receivable	1,113,664	1,128,642
Prepaid expenses	55,463	60,034
	1,788,283	1,814,460
Loan receivable	1,486,049	1,484,653
Capital assets	230,361	307,290
Future income taxes	110,422	51,664
Other assets	349,035	196,567
	\$ 3,964,150	\$ 3,854,634
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 503,818	\$ 385,071
	503,818	385,071
Shareholders' equity		
Capital stock	4,768,045	4,830,870
Deficit	(1,307,713)	(1,361,307)
	3,460,332	3,469,563
	\$ 3,964,150	\$ 3,854,634

Approved by the Directors



Alan W Stephens
Director



Greg J. Sunell
Director

Consolidated Statements of Income and Deficit

(unaudited)

	Three Months Ended December 31st		Six Months Ended December 31st	
	2001	2000	2001	2000
Revenue	\$ 766,470	\$ 986,522	\$ 1,623,081	\$ 2,038,473
Expenses				
Amortization	22,850	28,448	44,276	56,192
Selling, general and administrative	737,300	898,418	1,570,741	1,850,779
	\$ 760,150	\$ 926,866	\$ 1,615,017	\$ 1,906,971
Income before provision for income taxes	6,320	59,656	8,064	131,502
Provision for income taxes	(13,957)	24,859	(16,303)	39,859
Net income for the period	\$ 20,277	\$ 34,797	\$ 24,367	\$ 91,643
Deficit at beginning of period	(1,327,990)	(1,396,104)	(1,332,080)	(1,452,950)
Deficit at end of period	<u>\$ (1,307,713)</u>	<u>\$ (1,361,307)</u>	<u>\$ (1,307,713)</u>	<u>\$ (1,361,307)</u>
Earnings per share for the period :				
Net income	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
Fully diluted earnings per share for the period :				
Net income	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding :				
Basic	15,462,833	15,709,166	15,462,833	15,709,166
Fully diluted	15,879,500	15,709,166	15,879,500	15,709,166

Consolidated Statements of Cash Flows

(unaudited)

	Three Months Ended December 31st		Six Months Ended December 31st	
	2001	2000	2001	2000
Operating activities				
Net income	\$ 20,277	34,797	\$ 24,367	91,643
Amortization	22,850	28,448	44,276	56,192
Future income taxes	0	18,160	0	18,160
	43,127	81,405	68,643	165,995
Changes in operating assets and liabilities :				
Decrease (increase) in accounts receivable	165,513	(117,526)	202,082	(145,733)
Decrease (increase) in prepaid expenses	25,233	1,197	(1,598)	19,391
(Decrease) in accounts payable and accrued liabilities	(28,642)	(68,900)	(10,076)	(152,723)
	\$ 205,231	(103,824)	\$ 259,051	(113,070)
Financing activities				
Common shares purchased	(29,790)	(14,387)	(46,765)	(24,577)
	\$ (29,790)	(14,387)	\$ (46,765)	(24,577)
Investing activities				
Loan receivable	(1,396)	0	(1,396)	0
Energy projects (net)	(46,550)	(26,899)	(84,113)	(66,481)
Capital asset additions	(29,039)	(16,316)	(45,198)	(40,141)
Investments (net)	37,275	(2,000)	(11,299)	(2,000)
Deferred financing costs	0	3,946	0	7,892
	\$ (39,710)	(41,269)	\$ (142,006)	(100,730)
Increase (decrease) in cash and cash equivalents	135,731	(159,480)	70,280	(238,377)
Cash and cash equivalents at beginning of period	483,425	785,264	548,876	864,161
Cash and cash equivalents at end of period	\$ 619,156	625,784	\$ 619,156	625,784
Supplemental disclosure of cash flow information :				
Cash payment for taxes	\$ (4,970)	(21,655)	\$ (13,970)	(21,655)
Cash receipts for taxes	\$ 0	0	\$ 11,346	0

Notes to Consolidated Financial Statements :

These interim consolidated financial statements conform in all respects to the requirements of generally accepted accounting principles for annual financial statements, and follow the same accounting policies and methods of their application as the annual financial statements for the previous fiscal year.

Synex International Inc

Business Segments

For the Three Months ended December 31st

(unaudited)

The principal classes of business of the Company are the funding and development of energy projects, the development and marketing of software products and the provision of engineering and project management services.

2001		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	110,573	536,187	179,584	97,668	
Inter-segment revenue (net)			409	63,059	94,074	
Revenue from customers	\$	110,573	535,778	116,525	3,594	766,470
Segment operating profit	\$	43,921	16,972	9,309	-	70,202
Corporate general expenses						63,882
Corporate income taxes						(13,957)
Net income for the period	\$					20,277
Identifiable assets	\$	2,392,735	919,843	267,380	384,192	3,964,150
Capital expenditures	\$	46,551	22,909	2,583	3,547	75,590
Amortization	\$	2,159	12,973	2,912	4,806	22,850
2000		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	98,143	723,090	203,602	72,013	
Inter-segment revenue (net)			-	42,478	67,848	
Revenue from customers	\$	98,143	723,090	161,124	4,165	986,522
Segment operating profit	\$	36,266	94,485	11,256	-	142,007
Corporate general expenses						82,351
Corporate income taxes						24,859
Net income for the period	\$					34,797
Identifiable assets	\$	2,204,890	1,247,349	248,676	153,719	3,854,634
Capital expenditures	\$	27,867	7,188	4,895	3,265	43,215
Amortization	\$	3,745	15,750	3,077	5,876	28,448

The following table sets forth the geographic information of revenues which are attributed to countries based on location of customers :

Countries	2001	2000
Canada	\$ 263,751	\$ 231,526
United States	471,193	668,309
United Kingdom	20,143	55,038
Other Countries	11,383	31,649
Total	<u>\$ 766,470</u>	<u>\$ 986,522</u>

All of the company's long-lived assets are located in Canada.

Business Segments

For the Six Months ended December 31st

(unaudited)

The principal classes of business of the Company are the funding and development of energy projects, the development and marketing of software products and the provision of engineering and project management services.

2001		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	211,163	1,154,792	386,208	210,489	
Inter-segment revenue (net)			409	136,009	203,153	
Revenue from customers	\$	211,163	1,154,383	250,199	7,336	1,623,081
Segment operating profit	\$	54,742	55,796	34,799	-	145,337
Corporate general expenses						137,273
Corporate income taxes						(16,303)
Net income for the period	\$					24,367
Identifiable assets	\$	2,392,735	919,843	267,380	384,192	3,964,150
Capital expenditures	\$	84,114	39,068	2,583	3,547	129,312
Amortization	\$	4,164	24,369	5,868	9,875	44,276
2000		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	221,790	1,461,453	402,705	224,780	
Inter-segment revenue (net)			(194)	129,225	143,224	
Revenue from customers	\$	221,790	1,461,647	273,480	81,556	2,038,473
Segment operating profit	\$	68,289	127,480	12,365	73,000	281,134
Corporate general expenses						149,632
Corporate income taxes						39,859
Net income for the period	\$					91,643
Identifiable assets	\$	2,204,890	1,247,349	248,676	153,719	3,854,634
Capital expenditures	\$	67,450	27,176	5,388	6,608	106,622
Amortization	\$	7,489	30,941	6,022	11,740	56,192

The following table sets forth the geographic information of revenues which are attributed to countries based on location of customers :

Countries	2001	2000
Canada	\$ 526,802	\$ 592,976
United States	903,522	1,255,266
United Kingdom	128,432	135,234
Other Countries	64,325	54,997
Total	<u>\$ 1,623,081</u>	<u>\$ 2,038,473</u>

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Synex International Inc.

Stock Exchange Listing

The Toronto Stock Exchange
Trading Symbol (SXI)
Listed on June 5, 1987

Auditors

Deloitte & Touche LLP
Chartered Accountants
2000 - 1055 Dunsmuir Street
Vancouver, B.C. V7X 1P4

Solicitors

Fraser Milner Casgrain
Barristers and Solicitors
15th Floor
The Grovesnor Building
1040 West Georgia Street
Vancouver, B.C. V6E 4H8

Registrar and Transfer Agent

Computershare Trust Company of Canada
Montreal Trust Centre
510 Burrard Street
Vancouver, B.C. V6C 3B9

Bankers

Royal Bank of Canada
1025 West Georgia Street
Vancouver, B.C. V6E 3N9

Head Office

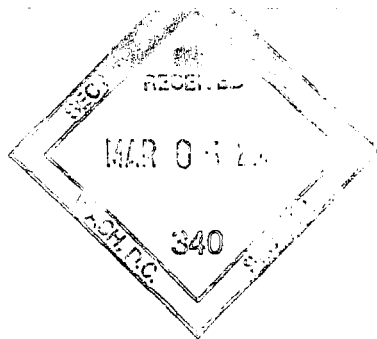
1444 Alberni Street, 4th Floor
Vancouver, BC V6G 2Z4
Telephone 604-688-8271
Facsimile 604-688-1286

Website

www.synex.com
Email: gsunell@synex.com

82-8362

Synex International Inc.



Second Quarter Report

For six months ended December 31, 2001

2002

REPORT FROM THE PRESIDENT

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Greg J Sunell, President

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As at December 31
(unaudited)

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Loan receivable	1,486,049	1,484,653
Capital assets	230,361	307,290
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Other assets	349,035	196,567
	\$ 3,964,150	\$ 3,854,634
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Current		
Accounts payable and accrued liabilities	\$ 503,818	\$ 385,071
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Shareholders' equity		
Capital stock	4,768,045	4,830,870
Deficit	(1,307,713)	(1,361,307)
	3,460,332	3,469,563
	\$ 3,964,150	\$ 3,854,634

Approved by the Directors



Alan W. Stephens
Director



Greg J. Sunell
Director

Consolidated Statements of Income and Deficit

(unaudited)

	Three Months Ended December 31st		Six Months Ended December 31st	
	2001	2000	2001	2000
Revenue	\$ 766,470	\$ 986,522	\$ 1,623,081	\$ 2,038,473
Expenses				
Amortization	22,850	28,448	44,276	56,192
Selling, general and administrative	737,300	898,418	1,570,741	1,850,779
	\$ 760,150	\$ 926,866	\$ 1,615,017	\$ 1,906,971
Income before provision for income taxes	6,320	59,656	8,064	131,502
Provision for income taxes	(13,957)	24,859	(16,303)	39,859
Net income for the period	\$ 20,277	\$ 34,797	\$ 24,367	\$ 91,643
Deficit at beginning of period	(1,327,990)	(1,396,104)	(1,332,080)	(1,452,950)
Deficit at end of period	<u>\$ (1,307,713)</u>	<u>\$ (1,361,307)</u>	<u>\$ (1,307,713)</u>	<u>\$ (1,361,307)</u>
Earnings per share for the period :				
Net income	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
Fully diluted earnings per share for the period :				
Net income	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding :				
Basic	15,462,833	15,709,166	15,462,833	15,709,166
Fully diluted	15,879,500	15,709,166	15,879,500	15,709,166

Consolidated Statements of Cash Flows

(unaudited)

	Three Months Ended December 31st		Six Months Ended December 31st	
	2001	2000	2001	2000
Operating activities				
Net income	\$ 20,277	34,797	\$ 24,367	91,643
Amortization	22,850	28,448	44,276	56,192
Future income taxes	0	18,160	0	18,160
	43,127	81,405	68,643	165,995
Changes in operating assets and liabilities :				
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	\$ 205,231	(103,824)	\$ 259,051	(113,070)
Financing activities				
Common shares purchased	(29,790)	(14,387)	(46,765)	(24,577)
	\$ (29,790)	(14,387)	\$ (46,765)	(24,577)
Investing activities				
Loan receivable	(1,396)	0	(1,396)	0
Energy projects (net)	(46,550)	(26,899)	(84,113)	(66,481)
Capital asset additions	(29,039)	(16,316)	(45,198)	(40,141)
Investments (net)	37,275	(2,000)	(11,299)	(2,000)
Deferred financing costs	0	3,946	0	7,892
	\$ (39,710)	(41,269)	\$ (142,006)	(100,730)
Increase (decrease) in cash and cash equivalents	135,731	(159,480)	70,280	(238,377)
Cash and cash equivalents at beginning of period	483,425	785,264	548,876	864,161
Cash and cash equivalents at end of period	\$ 619,156	625,784	\$ 619,156	625,784
Supplemental disclosure of cash flow information :				
Cash payment for taxes	\$ (4,970)	(21,655)	\$ (13,970)	(21,655)
Cash receipts for taxes	\$ 0	0	\$ 11,346	0

Notes to Consolidated Financial Statements :

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Synex International Inc

Business Segments

For the Three Months ended December 31st

(unaudited)

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2001		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	110,573	536,187	179,584	97,668	
Inter-segment revenue (net)			409	63,059	94,074	
Revenue from customers	\$	110,573	535,778	116,525	3,594	766,470
Segment operating profit	\$	43,921	16,972	9,309	-	70,202
Corporate general expenses						63,882
Corporate income taxes						(13,957)
Net income for the period	\$					20,277
Identifiable assets	\$	2,392,735	919,843	267,380	384,192	3,964,150
Capital expenditures	\$	46,551	22,909	2,583	3,547	75,590
Amortization	\$	2,159	12,973	2,912	4,806	22,850
2000		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	98,143	723,090	203,602	72,013	
Inter-segment revenue (net)			-	42,478	67,848	
Revenue from customers	\$	98,143	723,090	161,124	4,165	986,522
Segment operating profit	\$	36,266	94,485	11,256	-	142,007
Corporate general expenses						82,351
Corporate income taxes						24,859
Net income for the period	\$					34,797
Identifiable assets	\$	2,204,890	1,247,349	248,676	153,719	3,854,634
Capital expenditures	\$	27,867	7,188	4,895	3,265	43,215
Amortization	\$	3,745	15,750	3,077	5,876	28,448

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United Kingdom	20,143	55,038
Other Countries	11,383	31,649
Total	<u>\$ 766,470</u>	<u>\$ 986,522</u>

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Business Segments

For the Six Months ended December 31st

(unaudited)

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2001		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	211,163	1,154,792	386,208	210,489	
Inter-segment revenue (net)			409	136,009	203,153	
Revenue from customers	\$	211,163	1,154,383	250,199	7,336	1,623,081
Segment operating profit	\$	54,742	55,796	34,799	-	145,337
Corporate general expenses						137,273
Corporate income taxes						(16,303)
Net income for the period	\$					24,367
Identifiable assets	\$	2,392,735	919,843	267,380	384,192	3,964,150
Capital expenditures	\$	84,114	39,068	2,583	3,547	129,312
Amortization	\$	4,164	24,369	5,868	9,875	44,276
2000		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	221,790	1,461,453	402,705	224,780	
Inter-segment revenue (net)			(194)	129,225	143,224	
Revenue from customers	\$	221,790	1,461,647	273,480	81,556	2,038,473
Segment operating profit	\$	68,289	127,480	12,365	73,000	281,134
Corporate general expenses						149,632
Corporate income taxes						39,859
Net income for the period	\$					91,643
Identifiable assets	\$	2,204,890	1,247,349	248,676	153,719	3,854,634
Capital expenditures	\$	67,450	27,176	5,388	6,608	106,622
Amortization	\$	7,489	30,941	6,022	11,740	56,192

The following table sets forth the geographic information of revenues which are attributed to countries based on location of customers :

Countries	2001	2000
Canada	\$ 526,802	\$ 592,976
United States	903,522	1,255,266
United Kingdom	128,432	135,234
Other Countries	64,325	54,997
Total	<u>\$ 1,623,081</u>	<u>\$ 2,038,473</u>

All of the company's long-lived assets are located in Canada.

Synex International Inc.

Stock Exchange Listing

The Toronto Stock Exchange
Trading Symbol (SXI)
Listed on June 5, 1987

Auditors

Deloitte & Touche LLP
Chartered Accountants
2000 - 1055 Dunsmuir Street
Vancouver, B.C. V7X 1P4

Solicitors

Fraser Milner Casgrain
Barristers and Solicitors
15th Floor
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Registrar and Transfer Agent

Computershare Trust Company of Canada
Montreal Trust Centre
510 Burrard Street
Vancouver, B.C. V6C 3B9

Bankers

Royal Bank of Canada
1025 West Georgia Street
Vancouver, B.C. V6E 3N9

Head Office

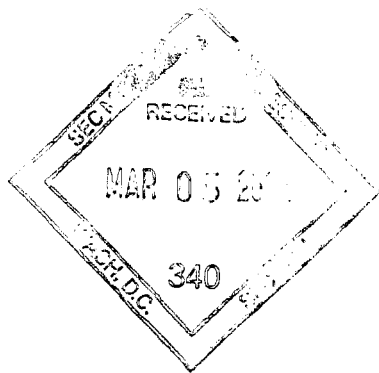
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82-8362

Synex International Inc.



Second Quarter Report

For six months ended December 31, 2001

2002

REPORT FROM THE PRESIDENT

Revenue for the first six months of fiscal 2002 was \$1,623,081 as compared to \$2,038,473 for the corresponding period in the previous year, while net income after tax decreased to \$24,367 from \$91,643. The earnings per share in the first six months was \$0.00 as compared to \$0.01 for the corresponding period in the previous year. For the three-month period ended December 31, 2001, revenue decreased to \$766,470 from \$986,522 and net income after tax was \$20,277 compared to \$34,797 for the corresponding three months of the previous fiscal year. The decreases in revenue and net income were largely the result of lower sales in the software division and a one-time corporate income gain in the previous year.

Synex Systems Corporation

Revenue for the six months of fiscal 2002 was \$1,154,792, a decrease of 21% from the corresponding period in the previous year, while the segment operating profit decreased to \$55,796 from \$127,480. The general malaise of the economy within North America is affecting F9 revenue, particularly for the F9 Professional sales. Sales outside of North America increased marginally during the comparative six months. During December 2001, F9 for BusinessWorks Gold by Best Software, Inc. was launched and the SQL versions of F9 for the Microsoft Great Plains accounting products were substantially completed. During the second quarter, an agreement was signed with BME Financial Workgroup, covering the distribution of F9 Professional in South Africa.

Synex Energy Resources Ltd.

Revenue for the first six months of fiscal 2002 decreased to \$211,163 from \$221,790 for the previous year, while segment operating profit decreased to \$54,742 from \$68,289. The revenue from the energy division is anticipated to be consistent until such time as several planned projects are completed. On December 17, 2001, Synex Energy executed electricity agreements for two new hydroelectric projects. The two projects, to be constructed on

Vancouver Island, are a 3 MW plant near the Village of Tahsis and a 4 MW plant near the Village of Gold River. The scheduled completion date for both plants is January 2004. In early December 2001, Synex Energy received a Certificate of Public Convenience and Necessity as issued by the British Columbia Utilities Commission in respect of the construction of a power line and the subsequent operation of an electrical utility at Kyuquot on the west coast of Vancouver Island. The land approval can now proceed, which should be followed promptly by the construction of the power line. Operation of the utility is scheduled to commence by late 2003. Synex Energy holds a US\$1 million convertible loan, payment of which by The New World Power Corporation is now overdue and Synex Energy has provided New World with a demand for payment letter. The loan is secured by a first mortgage on several hydroelectric plants and New World is actively working to achieve the sale of these power plants.

Sigma Engineering Ltd.

The engineering division continues to be active on a number of assignments. Revenue from external customers for the first six months of fiscal 2002 decreased marginally to \$250,199 as compared to \$273,480 in the previous year, while segment operating profit increased to \$34,799 from \$12,365. Currently, most of the engineering services relate to hydroelectric opportunities in British Columbia, performed for Synex Energy and for others.

OUTLOOK

The Company has a long history of success in the energy and software and is now beginning to see tangible results from new opportunities being pursued subsequent to the buy-out, by an employee group, of the shares of the former controlling shareholder.



Greg J Sunell, President

Consolidated Balance Sheets

As at December 31
(unaudited)

	2001	2000
Assets		
Current		
Cash and cash equivalents	\$ 619,156	\$ 625,784
Accounts receivable	1,113,664	1,128,642
Prepaid expenses	55,463	60,034
	1,788,283	1,814,460
Loan receivable	1,486,049	1,484,653
Capital assets	230,361	307,290
Future income taxes	110,422	51,664
Other assets	349,035	196,567
	\$ 3,964,150	\$ 3,854,634
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 503,818	\$ 385,071
	503,818	385,071
Shareholders' equity		
Capital stock	4,768,045	4,830,870
Deficit	(1,307,713)	(1,361,307)
	3,460,332	3,469,563
	\$ 3,964,150	\$ 3,854,634

Approved by the Directors



Alan W. Stephens
Director



Greg J. Sunell
Director

Synex International Inc

Consolidated Statements of Income and Deficit

(unaudited)

	Three Months Ended December 31st		Six Months Ended December 31st	
	2001	2000	2001	2000
Revenue	\$ 766,470	\$ 986,522	\$ 1,623,081	\$ 2,038,473
Expenses				
Amortization	22,850	28,448	44,276	56,192
Selling, general and administrative	737,300	898,418	1,570,741	1,850,779
	\$ 760,150	\$ 926,866	\$ 1,615,017	\$ 1,906,971
Income before provision for income taxes	6,320	59,656	8,064	131,502
Provision for income taxes	(13,957)	24,859	(16,303)	39,859
Net income for the period	\$ 20,277	\$ 34,797	\$ 24,367	\$ 91,643
Deficit at beginning of period	(1,327,990)	(1,396,104)	(1,332,080)	(1,452,950)
Deficit at end of period	<u>\$ (1,307,713)</u>	<u>\$ (1,361,307)</u>	<u>\$ (1,307,713)</u>	<u>\$ (1,361,307)</u>
Earnings per share for the period :				
Net income	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
Fully diluted earnings per share for the period :				
Net income	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding :				
Basic	15,462,833	15,709,166	15,462,833	15,709,166
Fully diluted	15,879,500	15,709,166	15,879,500	15,709,166

Consolidated Statements of Cash Flows

(unaudited)

	Three Months Ended December 31st		Six Months Ended December 31st	
	2001	2000	2001	2000
Operating activities				
Net income	\$ 20,277	34,797	\$ 24,367	91,643
Amortization	22,850	28,448	44,276	56,192
Future income taxes	0	18,160	0	18,160
	<u>43,127</u>	<u>81,405</u>	<u>68,643</u>	<u>165,995</u>
Changes in operating assets and liabilities :				
Decrease (increase) in accounts receivable	165,513	(117,526)	202,082	(145,733)
Decrease (increase) in prepaid expenses	25,233	1,197	(1,598)	19,391
(Decrease) in accounts payable and accrued liabilities	(28,642)	(68,900)	(10,076)	(152,723)
	<u>\$ 205,231</u>	<u>(103,824)</u>	<u>\$ 259,051</u>	<u>(113,070)</u>
Financing activities				
Common shares purchased	(29,790)	(14,387)	(46,765)	(24,577)
	<u>\$ (29,790)</u>	<u>(14,387)</u>	<u>\$ (46,765)</u>	<u>(24,577)</u>
Investing activities				
Loan receivable	(1,396)	0	(1,396)	0
Energy projects (net)	(46,550)	(26,899)	(84,113)	(66,481)
Capital asset additions	(29,039)	(16,316)	(45,198)	(40,141)
Investments (net)	37,275	(2,000)	(11,299)	(2,000)
Deferred financing costs	0	3,946	0	7,892
	<u>\$ (39,710)</u>	<u>(41,269)</u>	<u>\$ (142,006)</u>	<u>(100,730)</u>
Increase (decrease) in cash and cash equivalents	135,731	(159,480)	70,280	(238,377)
Cash and cash equivalents at beginning of period	483,425	785,264	548,876	864,161
Cash and cash equivalents at end of period	<u>\$ 619,156</u>	<u>625,784</u>	<u>\$ 619,156</u>	<u>625,784</u>
Supplemental disclosure of cash flow information :				
Cash payment for taxes	\$ (4,970)	(21,655)	\$ (13,970)	(21,655)
Cash receipts for taxes	\$ 0	0	\$ 11,346	0

Notes to Consolidated Financial Statements :

These interim consolidated financial statements conform in all respects to the requirements of generally accepted accounting principles for annual financial statements, and follow the same accounting policies and methods of their application as the annual financial statements for the previous fiscal year.

Synex International Inc

Business Segments

For the Three Months ended December 31st

(unaudited)

The principal classes of business of the Company are the funding and development of energy projects, the development and marketing of software products and the provision of engineering and project management services.

2001		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	110,573	536,187	179,584	97,668	
Inter-segment revenue (net)			409	63,059	94,074	
Revenue from customers	\$	110,573	535,778	116,525	3,594	766,470
Segment operating profit	\$	43,921	16,972	9,309	-	70,202
Corporate general expenses						63,882
Corporate income taxes						(13,957)
Net income for the period	\$					20,277
Identifiable assets	\$	2,392,735	919,843	267,380	384,192	3,964,150
Capital expenditures	\$	46,551	22,909	2,583	3,547	75,590
Amortization	\$	2,159	12,973	2,912	4,806	22,850
2000		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	98,143	723,090	203,602	72,013	
Inter-segment revenue (net)			-	42,478	67,848	
Revenue from customers	\$	98,143	723,090	161,124	4,165	986,522
Segment operating profit	\$	36,266	94,485	11,256	-	142,007
Corporate general expenses						82,351
Corporate income taxes						24,859
Net income for the period	\$					34,797
Identifiable assets	\$	2,204,890	1,247,349	248,676	153,719	3,854,634
Capital expenditures	\$	27,867	7,188	4,895	3,265	43,215
Amortization	\$	3,745	15,750	3,077	5,876	28,448

The following table sets forth the geographic information of revenues which are attributed to countries based on location of customers :

Countries	2001	2000
Canada	\$ 263,751	\$ 231,526
United States	471,193	668,309
United Kingdom	20,143	55,038
Other Countries	11,383	31,649
Total	<u>\$ 766,470</u>	<u>\$ 986,522</u>

All of the company's long-lived assets are located in Canada.

Business Segments

For the Six Months ended December 31st

(unaudited)

The principal classes of business of the Company are the funding and development of energy projects, the development and marketing of software products and the provision of engineering and project management services.

2001		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	211,163	1,154,792	386,208	210,489	
Inter-segment revenue (net)			409	136,009	203,153	
Revenue from customers	\$	211,163	1,154,383	250,199	7,336	1,623,081
Segment operating profit	\$	54,742	55,796	34,799	-	145,337
Corporate general expenses						137,273
Corporate income taxes						(16,303)
Net income for the period	\$					24,367
Identifiable assets	\$	2,392,735	919,843	267,380	384,192	3,964,150
Capital expenditures	\$	84,114	39,068	2,583	3,547	129,312
Amortization	\$	4,164	24,369	5,868	9,875	44,276
2000		Energy	Software	Engineering	Corporate	Consolidated
Total revenue	\$	221,790	1,461,453	402,705	224,780	
Inter-segment revenue (net)			(194)	129,225	143,224	
Revenue from customers	\$	221,790	1,461,647	273,480	81,556	2,038,473
Segment operating profit	\$	68,289	127,480	12,365	73,000	281,134
Corporate general expenses						149,632
Corporate income taxes						39,859
Net income for the period	\$					91,643
Identifiable assets	\$	2,204,890	1,247,349	248,676	153,719	3,854,634
Capital expenditures	\$	67,450	27,176	5,388	6,608	106,622
Amortization	\$	7,489	30,941	6,022	11,740	56,192

The following table sets forth the geographic information of revenues which are attributed to countries based on location of customers :

Countries	2001	2000
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